

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

W.R. GRACE & CO., et al.,

Debtors.

Chapter 11

Case No. 01-1139 (JKF)

Objection Deadline: November 17, 2008 at 4:00 p.m.

Hearing: Schedule if Necessary (Negative Notice)

**COVER SHEET TO THIRTY-SECOND MONTHLY INTERIM APPLICATION OF
ORRICK, HERRINGTON & SUTCLIFFE LLP, BANKRUPTCY COUNSEL
TO DAVID T. AUSTERN, FUTURE CLAIMANTS' REPRESENTATIVE, FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
SEPTEMBER 1, 2008 THROUGH SEPTEMBER 30, 2008**

Name of Applicant:

Orrick, Herrington & Sutcliffe LLP ("Orrick")

Authorized to Provide Professional
Services to:

David T. Austern, Future Claimants' Representative
(the "FCR")

Date of Retention:

As of February 6, 2006 pursuant to Order entered
by Court on May 8, 2006

Period for which compensation is
sought:

September 1, 2008 through September 30, 2008

Amount of Compensation (100%) sought
as actual, reasonable, and necessary:

\$339,565.25

80% of fees to be paid:

\$271,652.20

Amount of Expense Reimbursement sought
as actual, reasonable and necessary:

\$ 6,030.86

Total Fees @ 80% and 100%
Expenses:

\$277,683.06

This is an: ___ interim X monthly ___ final application.

The total time expended for fee application preparation during this time period is 30.50 hours and the corresponding fees are \$10,051.00 and \$57.75 in expenses for Orrick's fee applications and 7.50 hours and \$1,866.00 in fees and \$240.20 in expenses for the FCR and/or his other professionals' fee applications. Any additional time spent for this matter will be requested in subsequent monthly interim applications.

This is Orrick's Thirty-Second interim fee application for the period September 1-30, 2008. Orrick has previously filed the following interim fee applications with the Court:

<u>Interim Period</u>	<u>Fees @ 100%</u>	<u>Fees @ 80%</u>	<u>Expenses @ 100%</u>	<u>Total Fees @ 80% & 100% Expenses</u>
First Interim Period February 6-28, 2006	\$89,026.00	\$71,220.80	\$0.00	\$71,220.80
Second Interim Period March 1-31, 2006	\$117,266.25	\$93,813.00	\$7,501.32	\$101,314.32
Third Interim Period April 1-30, 2006	\$125,362.50	\$100,290.00	\$1,783.43	\$102,073.43
Fourth Interim Period May 1-31, 2006	\$136,416.00	\$109,132.80	\$6,389.80	\$115,522.60
Fifth Interim Period June 1-30, 2006	\$194,266.75	\$155,413.40	\$6,395.69	\$161,809.09
Sixth Interim Period July 1-31, 2006	\$181,982.00	\$145,585.60	\$11,934.45	\$157,520.05
Seventh Interim Period August 1-31, 2006	\$152,041.50	\$121,633.20	\$5,711.17	\$127,344.37
Eighth Interim Period Sept. 1-30, 2006	\$223,996.25	\$179,197.00	\$8,006.50	\$187,203.05
Ninth Interim Period October 1-31, 2006	\$225,845.00	\$180,676.00	\$24,528.57	\$205,204.57
Tenth Interim Period November 1-30, 2006	\$387,429.00	\$309,943.20	\$31,267.21	\$341,210.41
Eleventh Interim Period December 1-31, 2006	\$227,796.00	\$182,236.80	\$42,583.17	\$224,819.97
Twelfth Interim Period January 1-31, 2007	\$379,956.25	\$303,965.00	\$14,046.26	\$318,011.26
Thirteenth Interim Period February 1-28, 2007	\$384,551.00	\$307,640.80	\$17,183.12	\$324,823.92
Fourteenth Interim Period March 1-31, 2007	\$347,570.75	\$278,056.60	\$26,494.40	\$304,551.00
Fifteenth Interim Period April 1-30, 2007	\$319,286.00	\$255,428.80	\$50,662.51	\$306,091.31
Sixteenth Interim Period May 1-31, 2007	\$322,920.00	\$258,336.00	\$74,644.21	\$332,980.21
Seventeenth Interim Period June 1-30, 2007	\$379,834.50	\$303,867.60	\$42,991.68	\$346,859.28
Eighteenth Interim Period July 1-31, 2007	\$261,753.75	\$209,403.00	\$51,368.01	\$260,771.01
Nineteenth Interim Period August 1-31, 2007	\$428,316.00	\$342,652.80	\$62,111.63	\$404,764.43
Twentieth Interim Period September 1-30, 2007	\$628,858.50	\$503,086.80	\$393,007.08	\$896,093.88
Twenty-First Interim Period Oct 1-31, 2007	\$976,730.25	\$781,384.20	\$84,140.33	\$865,524.53
Twenty-Second Interim Period Nov 1-30, 2007	\$808,945.25	\$647,156.20	\$150,679.68	\$797,835.88
Twenty-Third Interim Period Dec 1-31, 2007	\$792,125.75	\$633,700.60	\$51,773.86	\$685,474.46
Twenty-Fourth Interim Period Jan 1-31, 2008	\$1,052,243.75	\$841,759.00	\$140,412.45	\$982,171.45
Twenty-Fifth Interim Period Feb 1-29, 2008	\$581,751.25	\$465,401.00	\$113,062.23	\$578,463.23
Twenty-Sixth Interim Period March 1-31, 2008	\$1,200,353.75	\$960,283.00	\$182,633.22	\$1,142,916.22
Twenty-Seventh Interim Period Apr 1-30, 2008	\$519,848.00	\$415,878.40	\$78,101.72	\$493,980.12
Twenty-Eight Interim Period May 1-31, 2008	\$174,962.00	\$139,969.60	\$9,210.37	\$149,179.97
Twenty-Ninth Interim Period June 1-30, 2008	\$365,784.00	\$292,627.20	\$8,119.20	\$300,746.40
Thirtieth Interim Period July 1-31, 2008	\$463,267.25	\$370,613.80	\$48,066.49	\$418,680.29
Thirty-First Interim Period August 1-31, 2008	\$402,226.25	\$321,781.00	\$15,601.29	\$337,382.29

To date, Orrick has received payments from the Debtors in the following amounts:

- \$71,220.80 representing 80% of fees and 100% of expenses for February 2006
- \$101,314.32 representing 80% of fees and 100% of expenses for March 2006
- \$17,805.20 representing 20% of fees for February 2006
- \$23,453.25 representing 20% of fees for March 2006
- \$102,073.43 representing 80% of fees and 100% of expenses for April 2006
- \$115,522.60 representing 80% of fees and 100% of expenses for May 2006
- \$161,809.09 representing 80% of fees and 100% of most expenses for June 2006
- \$157,520.05 representing 80% of fees and 100% of expenses for July 2006
- \$127,344.37 representing 80% of fees and 100% of expenses for August 2006
- \$187,203.05 representing 80% of fees and 100% of expenses for September 2006
- \$91,209.05 representing 20% of fees for April, May and June 2006
- \$205,204.57 representing 80% of fees and 100% of expenses for October 2006
- \$566,030.38 representing 80% of fees and 100% of expenses for November and December 2006
- \$111,603.95 representing 20% of fees for July, August and September 2006
- \$642,835.18 representing 80% of fees and 100% of expenses for January and February 2007
- \$156,363.99 representing 20% of fees for October, November, and December 2006
- \$133,371.35 representing 80% of fees and 100% of expenses for March and April 2007
- \$940,610.50 representing 80% of fees and 100% of expenses for May, June and July 2007
- \$206,968.66 representing 20% of fees for January, February and March 2007
- \$404,764.43 representing 80% of fees and 100% of expenses for August 2007
- \$896,093.88 representing 80% of fees and 100% of expenses for September 2007
- \$1,059,103.88 representing 20% of fees for April, May and June 2007, and 80% of fees and 100% of expenses for October 2007
- \$797,835.88 representing 80% of fees and 100% expenses for November 2007
- \$685,474.46 representing 80% of fees and 100% expenses for December 2007
- \$252,221.75 representing 20% of fees for July-September 2007
- \$982,207.45 representing 80% of fees and 100% expenses for January 2008
- \$578,463.23 representing 80% of fees and 100% expenses for February 2008
- \$1,142,503.79 representing 80% of fees and 100% expenses for March 2008
- \$500,673.91 representing 20% of fees for October-December 2007
- \$493,980.12 representing 80% of fees and 100% of expenses for April 2008
- \$149,179.97 representing 80% of fees and 100% of expenses for May 2008
- \$300,746.40 representing 80% of fees and 100% of expenses for June 2008

COMPENSATION SUMMARY
SEPTEMBER 1-30, 2008

<u>Name of Professional Person</u>	<u>Position of Applicant, No. of Years in Position, Prior Relevant Experience, Yr. Obtained License to Practice, Area of Expertise</u>	<u>Hourly Billing Rate</u>	<u>Total Billed Hours</u>	<u>Total Fees</u>
Alan G. Benjamin	Partner, 25 years in position; 31 years relevant experience; 1977, Global Finance	\$750	2.80	\$2,100.00
Brett Cooper	Partner, 6 years in position; 13 years relevant experience; 1995, Corporate	\$680	.10	\$68.00
Stephen G. Foresta	Partner, 11 years in position; 21 years relevant experience; 1987, Litigation	\$825	.80	\$660.00
Roger Frankel	Partner, 25 years in position; 37 years relevant experience; 1971, Bankruptcy	\$875	92.50	\$79,012.50 ¹
Clayton S. Reynolds	Partner, 21 years in position; 29 years relevant experience; 1979, Tax	\$800	21.90	\$17,520.00
Richard V. Smith	Partner, 16 years in position; 25 years relevant experience; 1983, Corporate	\$775	56.40	\$38,943.75 ²
Richard H. Wyron	Partner, 19 years in position; 29 years relevant experience; 1979, Bankruptcy	\$775	124.10	\$93,852.50 ³
Mary A. Wallace	Of Counsel, 6 years in position; 18 years relevant experience; 1989, Corporate	\$620	16.60	\$10,292.00
James W. Burke	Law Clerk, 1 month in position; 1 month relevant experience; Bar admission pending, Bankruptcy	\$285	20.30	\$5,785.50
Charity R. Clark	Associate, 3 years in position; 3 years relevant experience; 2005, Bankruptcy	\$440	10.80	\$4,752.00
Debra L. Felder	Associate, 6 years in position; 6 years relevant experience; 2002, Bankruptcy	\$530	94.30	\$48,786.50 ⁴
Zachary S. Finley	Associate, 7 years in position; 7 years relevant experience; 2001, Corporate	\$540	51.10	\$25,218.00 ⁵

¹ The total fees have been reduced by \$1,925.00 representing non-working travel billed at 50% reduced hourly rate.

² The total fees have been reduced by \$4,766.25 representing non-working travel billed at 50% reduced hourly rate.

³ The total fees have been reduced by \$2,325.00 representing non-working travel billed at 50% reduced hourly rate.

⁴ The total fees have been reduced by \$1,192.50 representing non-working travel billed at 50% reduced hourly rate.

⁵ The total fees have been reduced by \$2,376.00 representing non-working travel billed at 50% reduced hourly rate.

<u>Name of Professional Person</u>	<u>Position of Applicant, No. of Years in Position, Prior Relevant Experience, Yr. Obtained License to Practice, Area of Expertise</u>	<u>Hourly Billing Rate</u>	<u>Total Billed Hours</u>	<u>Total Fees</u>
Donald A. Snead	Associate, 1 year in position; 1 year relevant experience; 2007, Corporate	\$320	4.50	\$1,440.00
Katherine S. Thomas	Associate, 4 years in position; 4 years relevant experience; 2004, Bankruptcy	\$470	3.10	\$1,457.00
Debra O. Fullem	Bankruptcy Research Specialist	\$245	39.50	\$9,677.50
Total			538.80	\$339,565.25
Blended Rate: \$630.22				

COMPENSATION BY PROJECT CATEGORY
SEPTEMBER 1-30, 2008

<u>Project Category</u>	<u>Total Hours</u>	<u>Total Fees</u>
Insurance	10.70	\$8,512.50
Litigation	18.10	\$12,318.50
Plan & Disclosure Statement	404.90	\$275,591.50
Retention of Professionals-Orrick	14.70	\$7,335.00
Retention of Professionals-Other	5.00	\$2,056.00
Compensation of Professionals-Other	7.50	\$1,866.00
Compensation of Professionals-Orrick	30.50	\$10,051.00
Trust Distribution Procedures	11.40	\$9,250.00
Non-Working Travel	36.00	\$12,584.75
TOTAL	538.80	\$339,565.25

EXPENSE SUMMARY
SEPTEMBER 1-30, 2008

<u>Expense Category</u>	<u>Total</u>
Duplicating	\$827.60
Litigation Support: Credit for retainer to vendor Z-Axis	(-\$10,000.00)
Meals	\$591.76 ⁶
Outside Services: Purchase of reference materials regarding plan confirmation issues	\$75.50
Overtime	\$19.23
Pacer-Online	\$138.36
Parking	\$326.00
Postage/Express Delivery	\$816.38
Telephone	\$31.41
Travel – Air Fare/Hotel	\$10,947.63
Travel – Taxi	\$702.54
Westlaw/Lexis Research	\$1,554.45
TOTAL	\$6,030.86

Orrick's Client Charges and Disbursements Policy effective January 1, 2008, is as follows:

a. ***Duplicating*** -- It is Orrick's practice to charge all clients of the Firm for duplicating at the in-house rate of 20¢ per page; however, Orrick has reduced the duplicating cost to 10¢ per page in order to comply with the Local Rules of this Court. This charge includes the cost of maintaining the duplicating facilities and the actual cost involved with respect to the duplication.

6 Please note that Orrick has reduced its meal charges by \$338.24 in compliance with the Fee Auditor's new guidelines.

b. ***Long Distance Telephone and Facsimile Charges*** -- Orrick charges clients for long distance telephone calls but not for local telephone calls. Necessary mobile phone usage is reimbursed to professionals submitting an appropriate bill. Out-going facsimile transmissions are charged at \$1.75 per page, plus any long-distance calling cost, and there is no charge for incoming facsimiles.

c. ***Messenger and Courier Service*** -- It is Orrick's practice to use Federal Express or similar express mail delivery and third-party messenger services only in exigent circumstances (i.e., when needed to meet a deadline or when a next-day response from the recipient was necessary or beneficial to the case) and only when less costly than other available alternatives.

d. ***Overtime*** -- It is Orrick's practice to allow professionals and paraprofessionals working more than 3 hours of overtime to charge a meal to the appropriate client at a meal charge limited to \$7.50 per professional. It is Orrick's practice to allow professionals and support staff to charge a car service or cab to the appropriate client when working at least 2 hours of overtime. Orrick endeavored not to incur overtime charges unless necessary to benefit the case and in certain exigent circumstances. Orrick generally utilizes secretarial assistance in connection with monitoring and updating case dockets and downloading, circulating and printing of pleadings filed in the case. Thus, certain charges may be incurred by secretaries for overtime. (Note: These charges are at rates less than that charged by Orrick paralegals or other professional staff who may have otherwise performed this type of work.)

e. ***Computerized Research*** -- It is Orrick's practice to use computer-assisted legal research when it is efficient to do so. The charge to clients for Lexis and Westlaw are based on retail rates that do not include non-client specific volume discounts offered to Orrick. Use of fee based internet research services other than Lexis and Westlaw is charged at Orrick's cost. There is no separate charge for free internet research.

Respectfully submitted,

ORRICK, HERRINGTON & SUTCLIFFE LLP

By: /S/ RICHARD H. WYRON

Roger Frankel, admitted *pro hac vice*
Richard H. Wyron, admitted *pro hac vice*
Debra L. Felder, admitted *pro hac vice*
Columbia Center
1152 15th Street, NW
Washington, DC 20005
(202) 339-8400

*Co-Counsel to David T. Austern,
Future Claimants' Representative*

Dated: October 28, 2008